

City Council Budget Workshop- 2014-15 Budget Review

June 4, 2014

Note: There are 8 topics for this meeting and each subject is identified on a page preceding the affiliated budget sheets or associated information.

1. Review and Discussion of **Staff Supplemental Requests** (2 pages, also called Green Sheets, Full description of each project was emailed to the Council by Ryan Bradshaw on 5/8/14 at 2:32 p.m.)- These expenses are included in the tentative budget passed 5/14/14 (with these modifications: “*Add one Civil Engineer*” increased from \$60,000 to \$77,276 to include overhead and office set-up, 2. Removed-“**Remodel and enlarge Entry to Finance Office**” and “*Parade Float*”¹ removed per Council direction).
 - a. Is it still Council consensus to include these items in the proposed budget?
 - b. Are any changes needed?

¹ The 2014 float is under construction per Council direction, the 2015 float has been removed but Council agreed to discuss it at a date closer to July 2015.

Staff Supplemental Requests - Part of Tentative Budget Passed 5/14/14

Department	Description	On-going	One-time
Public Works	Overlay for the Ron Wood Parking Lot	\$ -	\$ 217,360.00
Public Works	Repave north side of PW building	\$ -	\$ 157,300.00
City Attorney	Civil Litigator - Amount to be budgeted in City Attorney's Budget, but may be moved by Council - Cost savings Calculated as one-time	\$ 112,259.00	\$ 3,000.00
Public Works	Re-roof Fire Station 53	\$ -	\$ 75,000.00
Administration	Replace City Wide Phone System - 5 year payment schedule with no financing charges	\$ 60,000.00	
Public Works	Add one Civil Engineer II	\$ 74,776.00	\$ 2,500.00
Administration	Bill Pay System - Will be done solicited using proper purchasing policy	\$ 52,000.00	
Administration	Seasonal Meter Tech		\$ 22,000.00
All	Money for Reclassification and Compression	\$ 50,000.00	
Development	Part-time Development Technician to full-time	\$ 34,086.00	\$ -
City Attorney	Admin Assist [P/T to F/T] - Position is in the Code Enforcement area and will increase time that can be spent in the field by Enforcement Officers	\$ 32,662.00	
Police	Firearms Range	\$ 8,000.00	\$ 20,000.00
Administration	Fiscal Readiness Plan		\$ 25,000.00
Police	Body Cameras		\$ 25,000.00
Public Works	Purchase project document control software	\$ -	\$ 25,000.00
Police	Animal Control Imp.		\$ 22,000.00
Police	Motorcycle Computers		\$ 20,575.00
Public Works	Provide covered parking & elec. @ PW for Police line cars	\$ -	\$ 17,500.00
Public Works	Crack seal and slurry seal parking lot at Justice Center	\$ -	\$ 17,000.00
Public Works	Tack Sprayer		\$ 17,000.00
Public Works	Recarpet sleeping areas of Fire Station 53	\$ -	\$ 13,000.00
Police	Patrol Improvements		\$ 12,000.00
Public Works	Repair South parking lot of PW bldgs.	\$ -	\$ 12,000.00
Public Works	Repair East parking lot at PW bldg.	\$ -	\$ 10,500.00
Police	Police Training	\$ 10,000.00	
Public Works	Scissors lift for Facilities	\$ -	\$ 10,000.00
Public Works	Load/Unload Dock		\$ 10,000.00
Police	Firearms Purchase		\$ 9,900.00
Public Works	Snow Blower for Skid Steer Loader		\$ 8,300.00
Police	1st Aid Kits		\$ 8,000.00
Public Works	Bring phone line to Facilities bldg.	\$ -	\$ 8,000.00
Fire	AED Program		\$ 14,200.00

Staff Supplemental Requests - Part of Tentative Budget Passed 5/14/14

Department	Description	On-going	One-time
Police	K9 Kennels		\$ 6,520.00
Public Works	Trailer - Dual Axle 30 Ft		\$ 5,500.00
Police	GPS Trackers		\$ 5,025.00
Administration	Additional Training for Staff	\$ 4,000.00	
Administration	Employee Recognition	\$ 4,000.00	
Public Works	Jumping Jack Compactor		\$ 3,626.00
Public Works	Storage container for Facilities	\$ -	\$ 3,500.00
Administration	HR Training Materials		\$ 3,400.00
Administration	Pictures and Flat Screen		\$ 3,000.00
Public Works	Tablet Computers for Graffiti		\$ 2,700.00
Public Works	Tandem Axle Trailer for Road Delineation		\$ 2,700.00
Administration	Volunteer Greeters for City Hall	\$ 300.00	\$ 2,300.00
Administration	Second Monitor for Staff		\$ 2,200.00
Police	Surveillance Cameras		\$ 1,200.00
Administration	Upgrade to Testing Software	\$ 1,000.00	
Legal	Decreased Funding for Part-Time Legal Assistance		\$ (40,000.00)
Total		\$ 443,083.00	\$ 783,806.00

2. Review and Discussion of **Council Initiatives** (1 page)- These expenses are included in the tentative budget passed 5/14/14.
 - a. Is it still Council consensus to include these items in the proposed budget?
 - b. Are any changes needed?

Council Initiatives - Part of Tentative Budget Passed 5/14/14

Department	Description	On-going	One-time
Administration	Financial Analyst for Finance Department to increase financial reporting and provide back-ups for Accounts Payable and Payroll	\$ 75,000.00	\$ 5,000.00
Administration	Events and PIO Professional & Technical - Provides ability for these departments to hire seasonal, internship, or contract labor for graphic design, event, marketing, branding, and communication support.		\$ 7,000.00
Public Works	Carpeting and room upgrades (Schorr Gallery \$2,126, Community Room \$6,368, break room \$2,384= \$10,878, Break Room upgrades at City Hall, Parks, and PW facility \$17,500.)		\$ 28,378.00
City Manager	Part-time Executive Assistant to assist the Mayor	\$ 21,840.00	
City Manager	Economic Development Director - Part of Council Goals Set in the City Council Strategic Plan	\$ 140,000.00	\$ 60,000.00
City Manager	Council Chamber Upgrades - To improve the aesthetics of the Council Chambers		\$ 17,000.00
City Manager	Employee Summer Picnic		\$ 7,000.00
Parks	Parks Department Director - Part of Council Goals set in the City Council Strategic Plan	\$ 124,868.00	
Community Dev	Branding Initiative - To Continue the City Branding Plan		\$ 28,450.00
Police	Police IT Specialist	\$ 70,914.00	\$ 2,200.00
City Manager	Budgetary Allotment for Council	\$ 7,000.00	
Public Works	Apprentice Electrician	\$ 56,913.00	
Public Works	Aerial Truck with Articulating Boom - Each year for a 7 year Capital Lease	\$ 25,775.00	
Parks	Lawn Mower Lease - To purchase/lease 7 mowers for the Parks Department to replace 8+ year old mowers	\$ 25,000.00	
Police	Funding for Police Officer - To Fund the unfunded Police Officer from 2012	\$ 84,703.00	\$ 13,400.00
City Manager	Nominal Fee for Volunteers		\$ 20,000.00
Totals		\$ 632,013.00	\$ 188,428.00

3. Review and Discussion of **Council Initiatives-New** (1 page)- These items have been recommended by the City Manager or members of the City Council subsequent to the 5/14/14 approval of the Tentative Budget and as such have not been included in the budget at this point.
- a. Are there any questions or comments on the proposed items?
 - b. Is it Council consensus to include/remove the \$50,000 from Staff Supplemental Requests (item 9) or add it to the proposed \$500,000 found on this sheet?
 - i. The proposed compensation changes will be brought back to Council for approval before the wages are modified for any employee or dept.
 - ii. The proposed changes will address the following issues that have been discussed by the Council in the past (see the Example for the Police Dept. Rick Davis, City Manager supports recommendation F. However, staff is not looking for approval at this time.):
 1. Rank Compression- Eleven supervisors are currently making less than subordinates that they supervise.
 2. Seniority Compression- Where employees hired in different years are being paid the same or nearly the same wage. This makes hiring and paying new employees with previous experience difficult because the incumbent pay may exceed the salary of current employees with similar experience. This was addressed in the 2013-14 budget with 1% given to police and fire depts.
 3. Hazard Pay- For hazardous duties such as the SWAT team.
 4. Lifting Career Caps- Some department have employees that have attained a level of education and proficiency to be moved to the next designation but have not been elevated (officer I, II, III, or Water Operator I, II, III). It is proposed to evaluate quotes in these departments and pay employees as they meet these milestones for the contribution that they make to the department.
 - c. Is it Council consensus to include these items in the proposed budget?
 - d. Are any changes needed?

Council Initiatives - New Initiatives for Consideration

Department	Description	On-going	One-time
City Manager	Lobbyist to Legislature for Car Dealership - This person would assist in lobbying the legislature for changing the laws regarding locating car dealerships		\$ 50,000.00
All	Employee Compensation Adjustments Pool - This is to address employee compensation in the city in regards to compression, supervisors who make less than subordinates, and classification caps	\$ 500,000.00	
City Manager	Economic Development Consultant (City Center) - to examine in conjunction with the new Economic Development Director the development of the City Center Project		\$ 20,000.00
Administration	To Continue the LEAN Training		\$ 12,000.00
City Manager	Video Streaming and recording system in Council Chambers - This is a place holder until the type of system is determined by the City Council		\$ 25,000.00
Total		\$ 500,000.00	\$ 107,000.00

EXAMPLE

Proposed Police Compensation Changes for 2014-15 Budget

Plan/option	Est. Cost								
	Cost Per Option	A	B	C	D	E	F	G	H
Rank Compression	\$42,525	\$42,525	\$42,525	\$42,525	\$42,525	\$42,525	\$42,525		
Low SR Off Compression 2.5%	\$62,572	\$62,572		\$62,572		\$62,572	\$62,572		
Low SR Off Compression 5%	\$171,630		\$171,630		\$171,630				
SWAT 5% Hazardous Duty	\$58,456	\$58,456	\$58,456			\$58,456			
Lifting Career Enhancement Caps	\$114,181	\$114,181	\$114,181				\$114,181		
Total		\$277,734	\$386,792	\$105,098	\$214,155	\$163,553	\$219,279		
With 3% Annual Increase		\$286,066	\$398,396	\$108,251	\$220,580	\$168,460	\$225,857		

Definitions:

Rank Compression- A supervisor will not make less than the highest paid subordinate that they supervise. Proposed for 2.5% and 5% (not sure which calculation this is).

Lower Seniority Compensation (2.5% and 5%)- To take officers hired in the past 7 years and create greater separation between each year of service (2.5% or 5%).

SWAT Hazard Pay- Proposing 5% increase to officers serving on SWAT team due to hazard of position.

Lifting Career Enhancement Caps- Allows officers in I, II, and III ranges to move up when they meet the minimum requirements. This would remove any cap on number of officers receiving Officer III rank.

4. Review and Discussion of **Revenue Projections** (1 page)- These are proposals to increase revenue projections from prior budgets based on a re-evaluation of the current income levels. Please keep in mind that \$1.2 million dollars of salary savings has been included in the proposed budget passed 5/14/14.
 - a. Is it Council consensus to include these items in the proposed budget?
 - b. Are any changes needed?

Revenue Projections - New Projections

Department	Description	On-going
Taxes	Sales Tax increased from 3.5% to 4% over previous years budget	\$ 78,363.88
Taxes	Increased Personal Property Tax by \$446,496.90 by changing base amount 2014 Actuals	\$ 446,496.90
Fines and Forfeitures	Increased Fines and Forfeitures revenue to match Projections for 2013-2014 Year	\$ 100,000.00
Total		\$ 624,860.78

5. Review and Discussion of 2014-15 projects with funding from the **2013-14 General Fund Budget Amendment**. For this part of the discussion, staff only desires to know if the Council wants to include these projects in the proposed budget. For the sake of time, staff recommends bringing each item up in a future council meeting to discuss the funding options and time for beginning the project.

- | | |
|--|----------------------------------|
| a. Street Lighting Project- | Yes/No/Modify |
| b. Increase to Station 54 Project- | Approved at 5/21/14 council mtg. |
| c. Park Irrigation System- | Yes/No/Modify |
| d. Fleet Fund Purchase- | Yes/No/Modify |
| e. Fleet Facility Design and Construction | Yes/No/Modify |
| (Fleet Facility Design is included in the Fleet Fund Budget \$240,000) | |

6. Reduce 2013-14 fund balance to State limit of 25% or less. The City Manager recommends allocating at least \$2,164,109 of the anticipated 2013-14 fund balance toward these one-time projects to ensure that the fund balance is less than the 25% limit.

- | | |
|--|-----------|
| a. Street Lighting Project- \$1,000,000 | \$ _____ |
| b. Increase to Station 54 Project- \$165,000 | \$165,000 |
| c. Park Irrigation System- \$1,500,000 | \$ _____ |
| d. Fleet Fund Purchase- \$1,500,000 | \$ _____ |

2013-2014 General Fund Budget Amendments

Department	Description	On-going
Street Lighting	Street Lighting Project	\$ 1,000,000.00
Capital Projects	Station 54 Increase	\$ 165,000.00
Parks	Park Irrigation System	\$ 1,500,000.00
Fleet	Fleet Fund Vehicle Purchases	\$ 1,500,000.00
Total		\$ 4,165,000.00

7. Review and Discussion of **General Fund Summary** sheet (not included). Staff is preparing this sheet and it is anticipated that it will be handed out during this part of the agenda if it is not available sooner. It will summarize the Revenues, Expenses, and Additional Information related to balancing the budget.

(This budget sheet will be handed out at the meeting)

8. Review and Discussion of **Staff Supplemental Requests-Enterprise Funds** (Full description of each project was emailed to the Council by Ryan Bradshaw on 5/8/14 at 2:32 p.m.). This time is set aside to discuss proposed expenditures any modifications to the utility rates to fund capital projects in the 2014-15 budget.
 - a. Is it Council consensus to include these items in the proposed budget?
 - b. What rate modification is needed to accomplish this?
 - c. Is there Council consensus to set a new rate?

Staff Supplemental Requests - Part of Tentative Budget Passed 5/14/14
Enterprise Funds

Department	Description	On-going	One-time
Stormwater	Closed Circuit TV truck and 3/4 Ton Extended Cab Pickup Truck		\$ 260,000.00
Stormwater	Stormwater Maintenance Crew - Operator II	\$ 60,419.00	\$ 1,300.00
Stormwater	Stormwater Maintenance Crew - Operator I	\$ 57,462.00	\$ 1,300.00
Stormwater	Cemetery Irrigation Project		\$ 10,000.00
Water	Vac Truck with Value Exerciser - GIS Compatible, Office Equipment		\$ 152,000.00
Water	Support Valve Maintenance Crew - Operator II	\$ 57,462.00	\$ 1,300.00
Water	Support Valve Maintenance Crew - Operator II	\$ 57,462.00	\$ 1,300.00
Waste Water	Track hoe Excavator, Trailer for Excavator, and Replacement large trailer Mounted Air Compressor		\$ 213,000.00
Waste Water	Construction Tech III Position	\$ 63,089.00	\$ 1,600.00
Waste Water	Construction Tech I Position	\$ 52,539.00	\$ 1,300.00
Totals		\$ 348,433.00	\$ 643,100.00